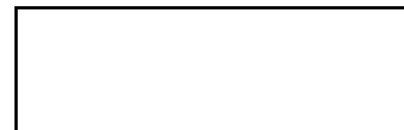


Approved For Release 2003/08/21 : CIA-RDP79T00975A018600060001-9 **Secret**



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Central Intelligence Bulletin

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State Department review completed

№ 40

26 March 1971

Approved For Release 2003/08/21 : CIA-RDP79T00975A018600060001-9

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Approved For Release 2003/08/21 : CIA-RDP79T00975A018600060001-9

Approved For Release 2003/08/21 : CIA-RDP79T00975A018600060001-9

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No. 0073/71
26 March 1971

Central Intelligence Bulletin

CONTENTS

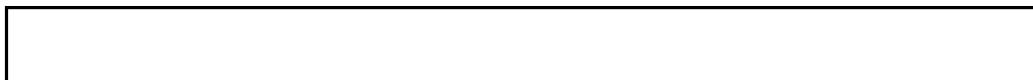
CAMBODIA: The enemy is increasing the tempo of its dry season campaign. (Page 1)

LAOS: The Communists continue to press government units near Luang Prabang. (Page 3)

PAKISTAN: The army is attempting to take control of Dacca. (Page 4)

USSR-MEXICO: Moscow has protested the expulsion of its diplomats. (Page 6)

EAST GERMANY - BERLIN - WEST GERMANY: Easter passes (Page 8)



SIERRA LEONE: Army discussions (Page 8)

GUINEA: New bauxite firm (Page 9)

LIBYA: Oil agreement delayed (Page 9)



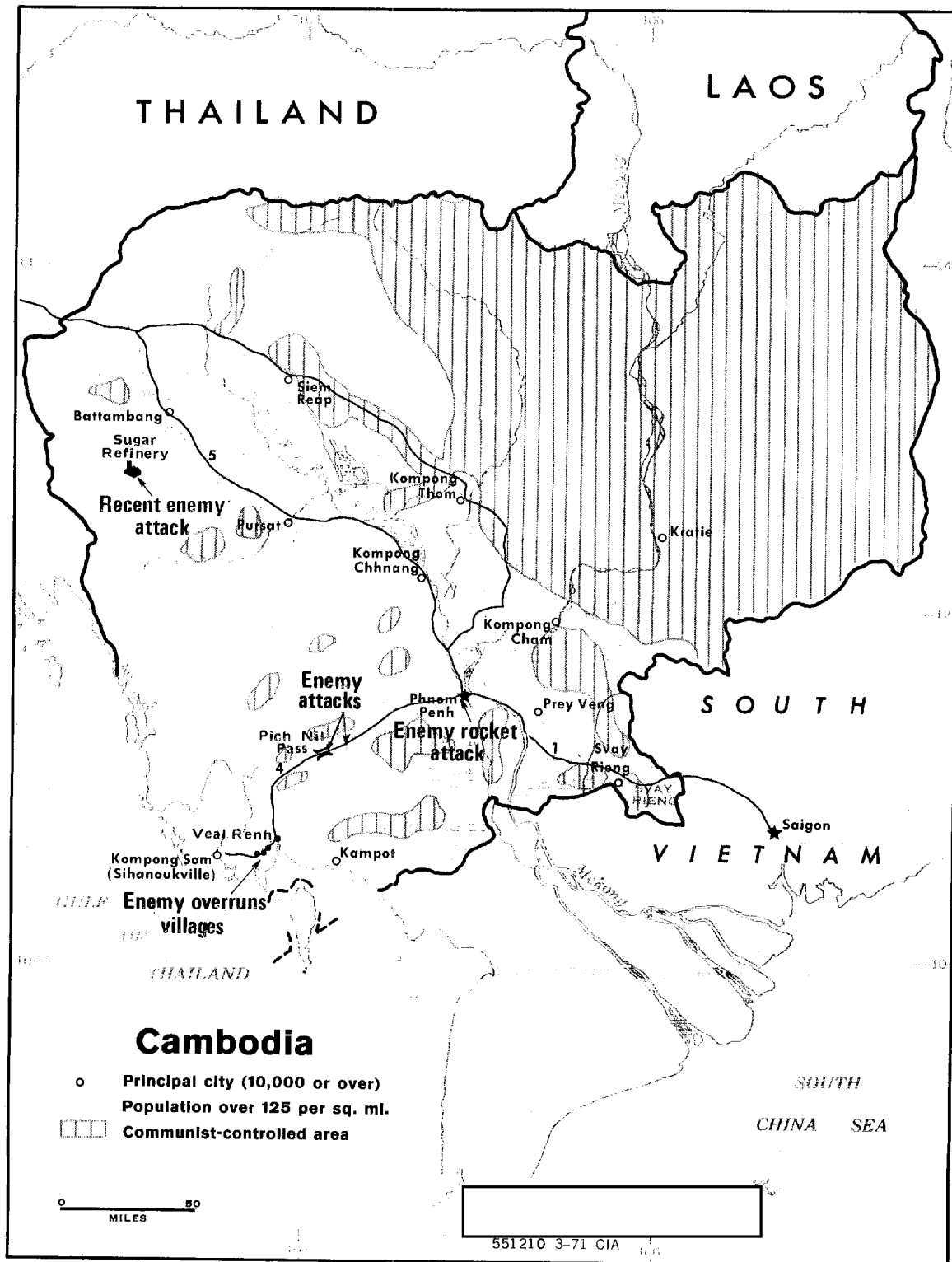
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Current Situation



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CAMBODIA: The Communists appear to be increasing the tempo of their modest dry season military campaign.

Yesterday, the Communists staged a prolonged attack against the two poorly prepared Cambodian Army battalions holding the Pich Nil pass on Route 4, and also ambushed an eight-truck government munitions convoy near the pass. Communist attacks were also reported farther south on Route 4. Enemy forces apparently have gained control over a section of the highway by overrunning three villages between the seaport at Kompong Som and the town of Veal Renh. The Communists had been driven out of this general area earlier this month.

In their first significant action in the Phnom Penh region in several weeks, the Communists fired five 122-mm. rockets into the Pochentong airfield area on 24 March. No damage was reported, however, and only five Cambodian soldiers were wounded. Enemy sapper elements probably carried out the attack.

Communist operations in Svay Rieng Province may also be on the rise. [REDACTED]

[REDACTED] the failure of government troops to man some of the positions recently vacated by South Vietnamese troops along Route 1 has enabled the enemy to interfere with the movement of supplies from villages along that highway to Svay Rieng city.

In the northwest, Communist leaflets spread during last week's attack on a sugar factory in Battambang Province have threatened enemy attacks closer to Battambang city. These warnings may be partially intended to force the government to pull back troops now patrolling Route 5, south of the city.

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During most of the dry season, the Communists have concentrated on keeping up a fairly steady level of pressure against the government's main lines of communication; this in most cases has caused only temporary dislocations in their use.

In the countryside, Communist activities have largely been limited to small-scale harassments. It is still too early to tell whether this kind of activity is only temporary or is the emerging pattern of the war in Cambodia.
(Map)



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LAOS: The Communists are maintaining pressure on government units trying to shore up the defenses of Luang Prabang.

For the second day running, the North Vietnamese on 24 March turned back Laotian troops attempting to advance northeast of Luang Prabang. Heavy mortar fire and sharp ground fighting stopped the government forces about a mile and a half short of their objective.

Small enemy units made a number of offensive jabs on 24 March, keeping government forces off balance and further constricting the capital's defense perimeter. North Vietnamese sappers attacked a military police company located one mile east of the Luang Prabang airstrip and a 105-mm. artillery battery about two miles northeast of the runway. Both attacks were repulsed, but as a result the four-gun artillery position was moved back within the airfield complex.

Some government officials in Vientiane are increasingly restive over the continuing enemy pressure on Luang Prabang and are especially concerned for the safety of the King. The Permanent Committee of the National Assembly voted on 24 March to recommend that Prime Minister Souvanna Phouma urge the King to come to Vientiane, despite his oft-repeated intention to remain in the royal capital.

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[PAKISTAN: The army last night was attempting to take control of Dacca, East Pakistan's capital.

Only fragmentary reports were available at mid-night Thursday (EST), and it was unclear whether the army was merely reacting to a local flareup of violence or whether the action was part of a general effort to regain control of the province by force.

The US consulate-general reported that firing and explosions began about midnight Dacca time. As of 0800 Friday (2200 Thursday EST) army patrols and fixed sentries could be seen from the consulate firing at civilians. Orders have been issued prohibiting any speeches, processions, or other activities against the martial law administration. [REDACTED]

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[REDACTED]

So far, there are no reports from other parts of the province. There have, however, been serious clashes between the army and East Pakistanis at the southern port of Chittagong and in the far north-western part of East Pakistan in the past two days.

According to an unconfirmed report carried by Indian radio, six ships landed troops at Chittagong and another port yesterday. Although the numbers may well be exaggerated, the report could have some basis.

Yesterday, leaders of Mujibur Rahman's Awami League presented their final position to President Yahya. Apparently they asked for the immediate establishment of a civilian provincial government and assurance that any constitution to be written would limit the central government to control of defense and foreign affairs.]

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26 Mar 71

Central Intelligence Bulletin

4

SECRET

SECRET

[Initial indications had been that Yahya would agree to their demands, but the recent reports from Dacca might mean that a decision has instead been made to try to hold the country together by force. Yahya was to make a public announcement presumably explaining the situation early this morning.

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26 Mar 71

Central Intelligence Bulletin

5

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USSR-MEXICO: Moscow has protested the expulsion of five of its diplomats from Mexico, but hopes to avoid further deterioration in relations.

A Soviet Foreign Ministry statement handed to the Mexicans on 24 March termed the Mexican action "totally groundless" and "an unfriendly act." It charged that the move helps "elements" interested in disrupting Soviet-Mexican relations. The Soviets tempered the tone of the statement somewhat by saying that they are working for normal, friendly relations with Mexico.

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Soviet policy in Mexico as well as other Latin American states has been to cultivate friendly relations. It has on occasion actively discouraged the formation of terrorist organizations and has generally urged pro-Moscow Communist parties to follow the example of the Chilean party by working for

26 Mar 71

Central Intelligence Bulletin

6

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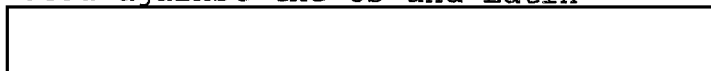
the formation of popular front governments.

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Moscow values its hard-won position in Mexico because of Mexico's stature as a leading Latin American nation and its utility as a base for intelligence activities directed against the US and Latin American countries.

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26 Mar 71

Central Intelligence Bulletin

7

SECRET

NOTES

EAST GERMANY - BERLIN - WEST GERMANY: East German workmen yesterday began erecting booths used in previous years for processing Berlin wall passes, and Pankow has proposed that its representatives and those of the West Berlin Senat resume their talks tomorrow. In talks on 6 and 12 March, the East German negotiators made only passing reference to the question of Easter passes for West Berliners, choosing instead to emphasize issues beyond the pale of the Senat's mandate. By holding out the bait of the possibility of Easter passes, the East Germans may hope to arouse popular expectations and indirectly press the Senat to be more forthcoming on wider issues.

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SIERRA LEONE: It is now evident that the continuation of Prime Minister Stevens' civilian regime is at stake in the intensive discussions still in progress within the badly factionalized army. Deep tribal divisions, conflicting loyalties, and personal rivalries are all contributing to the soldiers' inability to settle this question or to agree on who is to head the army. Many of the troops are reported alienated by Stevens' reliance for personal protection on the 40 Guinean soldiers who arrived last weekend. Despite the delay in resolving the political crisis, Freetown is calm with schools and businesses functioning normally.

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26 Mar 71

Central Intelligence Bulletin

8

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GUINEA: The formation of a new firm, SOMIGA, to exploit bauxite deposits in northcentral Guinea is the latest development in Guinea's important bauxite industry. The new firm will be a 50-50 partnership between the government and the Swiss aluminum company, Alusuisse. Initially, Alusuisse would provide up to \$2 million for prospecting and feasibility studies to verify claims that the deposit contains two billion tons of high quality ore.

If proven to be true, it would be one of the largest and richest deposits in the world. The exploitation agreement is patterned after that of the Boke project--Guinea's largest bauxite development to date--and includes provisions for infrastructure development, training programs, and a 65-35 profit split in favor of the Guinean Government. Despite the government's optimistic prediction of an early commencement of mining operations, transportation problems alone would appear to preclude any start before the late 1970s.

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*LIBYA: Signature of an agreement with the oil companies has been delayed--and perhaps jeopardized--by further Libyan demands. Preliminary reports indicate that the Revolutionary Command Council insists on certain changes in the draft settlement that representatives of Libya and the oil companies had agreed to last Sunday. Libya has demanded still higher prices for its crude oil and the elimination of references to the Suez Canal premium. Moreover, Tripoli refuses to consent to a five-year agreement, which the oil companies consider an essential point. No further meetings are scheduled to take place before Saturday.

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*Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Defense Intelligence Agency, Department of Defense.

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26 Mar 71

Central Intelligence Bulletin

9

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